

STATINTL

NOTICE

BUDGET
1954

EFFECT OF FEDERAL EMPLOYEES' GROUP LIFE
INSURANCE ON ALLOTTED FUNDS

- References: (1) Public Law 598, 83d Cong., 2d session
(2) Federal Register dated 27 August 1954

1. GENERAL

This Notice sets forth information concerning:

- a. The withholding of premiums for Federal Employees' Group Life Insurance from employees' compensation earned subsequent to 28 August 1954, and
- b. The procedures governing premium payments contributed by the Agency from funds available for obligation for Federal Employees' Group Life Insurance.

2. WITHHOLDINGS

a. Employees Under Age 65

- (1) Deductions in the full amount will be withheld from an employee's salary when the employee is in a pay status for the whole or part of any pay period. If salary earned during the pay period less deductions for retirement or FICA, and income taxes is less than the amount of the full insurance deduction, the remainder will be withheld as the insurance deduction.
- (2) When an employee returns to duty from a nonpay status which covered an entire pay period, deductions for insurance will not be made from his future salary for the period of such nonpay status.
- (3) Insurance deductions will be made from an employee's salary for the applicable pay periods and the related amounts of insurance coverage as shown in the following table:

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INSURANCE SCHEDULE

<u>Annual Compensation</u>		<u>Am't. of Insurance</u>	<u>Amount of Deductions Per Pay Period</u>			
<u>More Than</u>	<u>Not More Than</u>		<u>Weekly</u>	<u>Biweekly</u>	<u>Four-Weekly</u>	<u>Monthly</u>
\$ 12	\$ 1,000	\$ 1,000	.13	.25	.50	.54
1,000	2,000	2,000	.25	.50	1.00	1.08
2,000	3,000	3,000	.38	.75	1.50	1.63
3,000	4,000	4,000	.50	1.00	2.00	2.17
4,000	5,000	5,000	.63	1.25	2.50	2.71
5,000	6,000	6,000	.75	1.50	3.00	3.25
6,000	7,000	7,000	.88	1.75	3.50	3.79
7,000	8,000	8,000	1.00	2.00	4.00	4.33
8,000	9,000	9,000	1.13	2.25	4.50	4.88
9,000	10,000	10,000	1.25	2.50	5.00	5.42
10,000	11,000	11,000	1.38	2.75	5.50	5.96
11,000	12,000	12,000	1.50	3.00	6.00	6.50
12,000	13,000	13,000	1.63	3.25	6.50	7.04
13,000	14,000	14,000	1.75	3.50	7.00	7.58
14,000	15,000	15,000	1.88	3.75	7.50	8.13
15,000	16,000	16,000	2.00	4.00	8.00	8.67
16,000	17,000	17,000	2.13	4.25	8.50	9.21
17,000	18,000	18,000	2.25	4.50	9.00	9.75
18,000	19,000	19,000	2.38	4.75	9.50	10.29
19,000	20,000	20,000	2.50	5.00	10.00	10.83

NOTE: For any pay period other than stated in the above table, the amount of deductions each pay period is determined at a rate proportionate to the rate of 25 cents biweekly for each 1,000 dollars of insurance adjusted to the nearest cent. The Agency's contribution is 50 percent of the amounts deducted from employees' pay.

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b. Employees Aged 65 and Older

- (1) Insurance deductions cease at the end of the pay period immediately preceding the one in which the employee reaches his 65th birthday.
- (2) In the case of employees who are age 65 or older, no deductions will be made.

c. Adjusting Erroneous Deductions for Insurance Premiums

- (1) When group life insurance deductions have been erroneously taken from the salary of a currently employed individual who has given written notice that he does not desire to be insured, or from the salary of an employee who is ineligible for this insurance, refund of the erroneous deductions will be adjusted on a subsequent payroll on which his name appears. Refund of erroneous deductions to the individual by means of such payroll adjustment will automatically correct the excess portion contributed by the Agency from its appropriation as a result of the erroneous deduction from the employee.
- (2) When an incorrect amount of group life insurance deductions has been taken from the salary of an insured employee as a result of an erroneous computation of such deductions, adjustment will likewise be made on a subsequent payroll on which his name appears.
- (3) When an individual who was not covered by Federal Group Life Insurance during his employment with the Agency has been separated from the Agency, adjustment of any amount erroneously withheld for life insurance premiums will be corrected in the next payroll and will be reflected in the final salary payment to the individual or to his beneficiary or estate if he is deceased. As such adjustment will decrease the gross amount of insurance deductions for the pay period in which the adjustment is processed, the excess amount previously contributed by the Agency will automatically be adjusted in the same pay period.
- (4) Adjustment will also be effected in the manner outlined in the preceding paragraph where an excess amount not identified with specific individuals has been deposited to the Life Insurance Fund as a result of errors in scheduling, etc.

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3. EXPENSE DISTRIBUTION OF AGENCY'S CONTRIBUTION

- a. The Civil Service Commission has established the Agency's contribution at 50 percent of the employees contribution. The Agency's contributions will be charged to the same allotment accounts as the salaries of the employees from whom related insurance deductions have been made, and will be distributed to subobject classification 07.0 - Federal Employees' Group Life Insurance, Agency's Contribution.
- b. The following reports furnished by the Office of the Comptroller will contain the amount of the Agency's contribution that has been charged as an expenditure to each allotment:
 - (1) Confidential Funds - IBM Cumulative Expenditure Listing (by allotment)
 - (2) Vouchered Funds - Carbon copy of the Allotment Ledger Sheets
- c. Allottees who maintain allotment control records should establish estimated obligations for their share of the Agency's contribution toward the insurance premiums applicable to each allotment based upon the information provided as described in paragraphs b(1) and (2) immediately above.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

/s/
H. GATES LLOYD
Acting Deputy Director
(Administration)

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